

PLEASURE TRAVEL MARKET TO NORTH AMERICA: VENEZUELA & SOUTH KOREA

HIGHLIGHTS



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**PLEASURE TRAVEL MARKETS TO NORTH AMERICA:
VENEZUELA AND SOUTH AMERICA
HIGHLIGHTS REPORT**

Prepared for:

**UNITED STATES TRAVEL AND TOURISM ADMINISTRATION
TOURISM CANADA**

By:

MARKET FACTS OF CANADA LIMITED

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**Market Facts of Canada Limited conducted
this research on behalf of
Tourism Canada and the United States Travel and
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INTRODUCTION

In June 1986, a five year agreement was signed between Canada and the United States that allowed Tourism Canada and the United States Travel and Tourism Administration to undertake jointly funded travel market research in overseas countries.

The countries studied in this research are, by year:

<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
United Kingdom	Hong Kong	Italy	United Kingdom	Venezuela
France	Singapore	Australia	France	South Korea
West Germany	Switzerland	Brazil	West Germany	
Japan		Mexico	Japan	

The objectives of the research were:

- To provide broad based marketing information on the long haul pleasure market travel
- To identify and describe travel segments that are prime targets for travel to Canada and the United States
- To describe elements of the travel products required to meet the needs of the travel market segments
- To provide input to the development and placement of effective advertising and promotion to convert potential travel to actual travel to Canada and the United States

Between November, 1990 and March 1991, approximately 1,200 personal, in-home interviews averaging 50 minutes in length were conducted in each of Venezuela and South Korea. Respondents in each country were people 18 years of age or older, who had taken a vacation trip of four nights or longer by plane in the past three years, or who intended to take such a trip in the next two years. For Venezuelan travelers, trips were defined as being outside of Venezuela, Central America, Northern Brazil, Columbia, Northern Peru, Ecuador, Guyana, Surinam, French Guiana and selected Caribbean Islands close to Venezuela. For South Korean travelers, trips were to destinations outside of South Korea, Japan and China.

In both countries respondents were identified using a random probability cluster sampling procedure. Geographical areas in large urban centres were selected at random in which households at specified skip intervals were approached, and eligible respondents within households randomly chosen to participate in the personal interview.

The research provided a wealth of data of which only a portion is presented in this Highlights Report. More extensive results for each of Venezuela and South Korea are available in the following formats:

- a detailed written report
- extensive computer cross tabulations
- IBM compatible data diskettes in single punch format

The purpose of this Highlights Report is not to summarize all of the results available from the research, but rather to present a sample of some of the key findings. A more detailed indication of the kinds of information available, as well as an indication of how individual users might optimize their use of the data, is presented at the end of this Highlights Report.

OVERVIEW OF THE TWO MARKETS

How large is the target market of long haul vacation travelers?

Both countries examined in this study show potential as future travel markets for North America.

In South Korea, the lifting of overseas travel constraints has resulted in tremendous growth of long haul pleasure travel. While pleasure tourists exceeded business travel, this latter group still accounts for a large part of overseas travelers.

The Venezuelan travel market, although at the present comparatively small, shows many indications for growth. As a travel destination, North America has the potential to meet this market's travel needs.

In terms of **incidence**, in Venezuela the target market* is 6% of the total adult population (20% of the adult urban population in ABC socioeconomic classes) and in South Korea, the incidence is 11% of the total adult population. This can be interpreted as 660,000 travelers from Venezuela and 2,813,400 from South Korea.

MARKET SIZE

	<u>Incidence of target market</u>	<u>Size of target market</u>
Venezuela	6%	660,000
South Korea	11%	2,813,400

* Travelers 18 years of age or over who took a vacation of four nights or more in the past three years by plane to an overseas destination, or who intended to take such a vacation in the next two years.

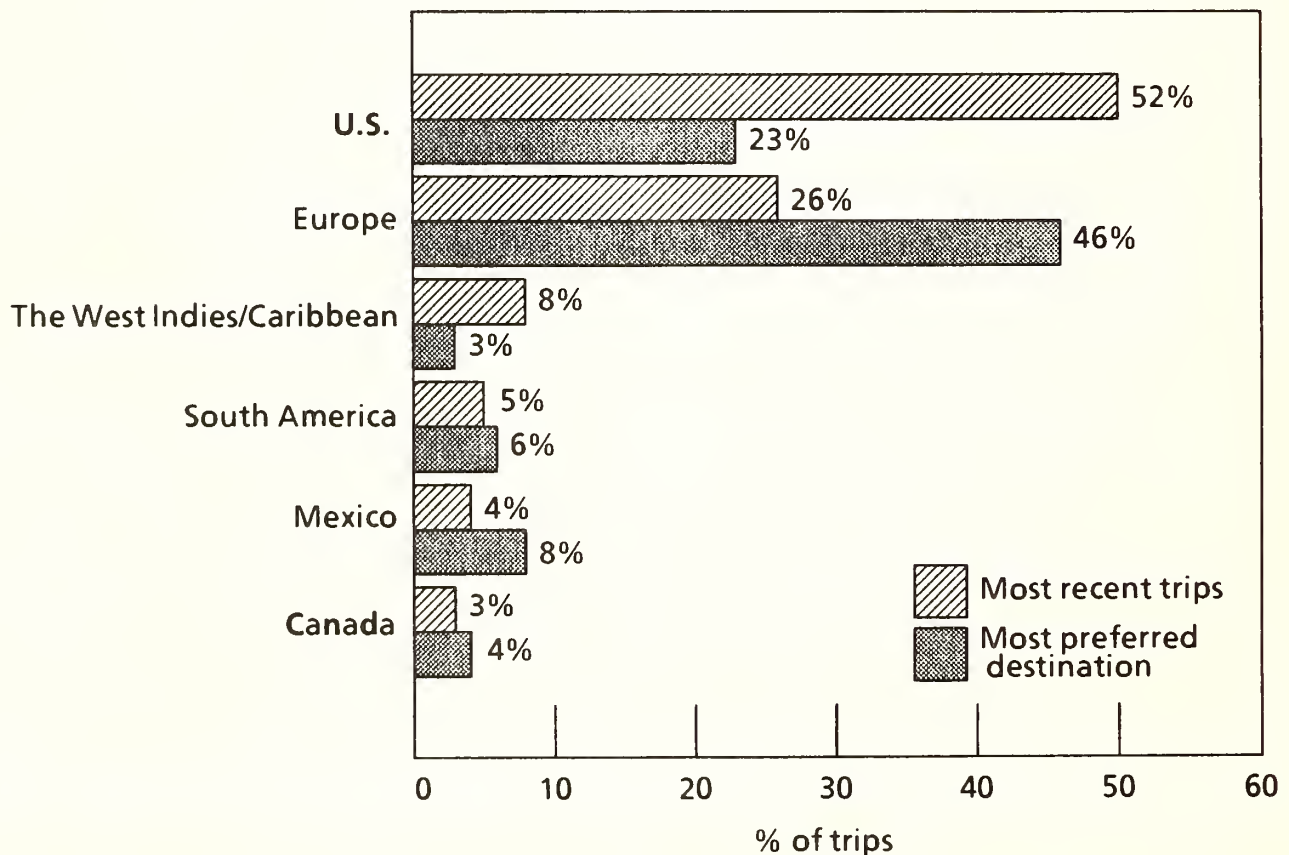
VENEZUELA

Where do travelers go on vacation, and where would they like to go?

For Venezuelan long haul travelers, the United States is the most popular destination. About half (52%) of their trips in the past three years have been to this destination. Europe, including the United Kingdom, was the destination for 26% of long haul trips. Canada accounted for only 3% of all Venezuelan travel.

While the U.S. was visited far more often than would have been predicted from its level as a "most preferred destination", Canada's visits and preference as a destination were about the same. Europe was visited much less than one would have perhaps expected from respondents' preferences.

CURRENT AND PREFERRED OVERSEAS TRAVEL DESTINATIONS VENEZUELAN TRAVEL MARKET



How many people would be interested in traveling to my state/province/city?

This question can be answered by looking at two of the measures obtained:

- Awareness** - What specific destinations in the United States and Canada are travelers aware of? Travelers are not likely to visit places they have never heard of.
- Interest** - Which of these destinations do they express an interest in visiting? These are the ones that presumably hold most promise for them.

The most frequent mentions were as follows:

	<u>Canada</u>			<u>United States</u>	
	<u>Awareness*</u>	<u>Interest**</u>		<u>Awareness*</u>	<u>Interest**</u>
	%	%		%	%
Ontario	(93)	(82)	Florida	(84)	(51)
Toronto	66	48	Miami	60	29
Ottawa	51	26	Orlando	21	8
Niagara Falls	34	21	Disneyworld	11	5
Quebec	(93)	(81)	New York	(80)	(46)
Montreal	80	63	New York City	71	40
Quebec City	56	35	California	(77)	(48)
Alberta	(43)	(17)	Los Angeles	33	16
Calgary	23	8	San Francisco	23	10
British Columbia	(39)	(18)	Texas	(54)	(20)
Vancouver	24	12	Houston	14	4
Victoria	11	3	Washington, D.C.	(36)	(14)
Yukon	(22)	(10)	Nevada	(30)	(12)
Newfoundland/ Labrador	(20)	(7)	Las Vegas	19	9

* Awareness was measured by asking travelers to name eight destinations to which people might go on a vacation. The first five mentions were unaided, while the remaining three mentions were aided with the use of a map. This was asked separately for Canada and the United States.

** Interest was measured by asking travelers to name the three destinations they would be most interested in visiting or revisiting. Again, this was asked separately for Canada and the United States.

Do Canada and the U.S. have any unique selling points?

Marketing strengths might be defined as attributes on which Canada and the U.S. were rated highly, and which were also rated by travelers as being above average in importance to them.

Clearly Canada's strength was its hygiene and cleanliness and high level of personal safety. Its natural resources in terms of outstanding scenery and national parks and forests also emerged as positive marketing points. Good public transportation and interesting, friendly local people were other aspects that make Canada a potential travel destination for Venezuelan long haul travelers.

The United States provides opportunities to increase knowledge and escape from the ordinary, something these travelers rate highly. In addition, public transportation, national parks and forests, shopping, live theatre and concerts, and resort areas are all aspects that give the U.S. a competitive advantage in this market. Personal safety was not seen as a problem among respondents as has been noted previously in other markets.

At the same time, do Canada and the U.S. have any weaknesses?

Weaknesses might be defined as attributes of above average importance on which Canada and the U.S. received relatively poor ratings.

Canada's main weakness was its beaches for swimming and sunning. Getting good value for vacation money, availability of inexpensive travel in Canada and availability of budget accommodation also were areas where Canada was not at its best.

The U.S. was at a competitive disadvantage mainly when it came to interesting and friendly local people. Cost considerations such as getting good value for vacation money, budget accommodation and inexpensive restaurants also are areas where the U.S. could benefit from improvements.

What do visitors do in North America?

As might be expected the most frequently mentioned vacation activities in Canada and the U.S. were shopping, sampling local foods, frequenting restaurants and sightseeing in cities. Of more interest were the activities that differentiated trips to Canada and the U.S. from trips to other destinations.

In particular, travelers to Canada were less likely to have taken pictures, visited the seaside or festivals/special events, or gone swimming than visitors to other destinations. Visitors to the U.S. spent less time visiting places of historical interest, scenic landmarks, archeological sites or touring the countryside than other long haul travelers.

Where do they actually travel within North America?

The favourite North American destinations visited by Venezuelan travelers in the past three years were as follows:

<u>Canada</u>		<u>United States</u>	
	<u>Visitors</u> %		<u>Visitors</u> %
Ontario	(79)	Florida	(68)
Toronto	57	Miami	39
Ottawa	25	Orlando	14
Niagara Falls	34	Disneyworld	4
Quebec	(62)	New York	(40)
Montreal	57	New York City	35
Quebec City	26		
British Columbia	(12)	California	(19)
Vancouver	8	Los Angeles	8
Victoria	2	San Francisco	5
Alberta	(8)	Texas	(13)
Calgary	5	Houston	6
		Washington, D.C.	(11)

How can travelers be reached most efficiently through the media?

In order to assist in the targeting of potential future communications to travelers, basic readership information was obtained for a variety of print media. The most popular publications were as follows:

Daily newspapers:

El Universal (66%)
El Nacional (60%)
Diario de Caracas (36%)

Do not read daily newspapers (2%)

Newspaper supplements:

Estampas (61%)
Pandora (37%)
Feriado (22%)
Dominical (20%)

Do not read newspaper supplements (15%)

Weekly periodicals/magazines:

Hola (25%)
Bohemia (21%)
Venezuela Grafica (16%)
Elite (15%)

Do not read weekly periodicals/magazines (47%)

Monthly magazines:

Buen Hogar (27%)
Vanidades (22%)
Selecciones (20%)

Do not read monthly magazines (25%)

SEGMENTATION

Analyzing actual visitors to Canada and the United States is just one way the results may be used to provide guidance in the areas of product development and promotion. Additional information for targeting to specific groups of travelers is provided by segmenting the total market on the basis of their particular wants and needs in regard to travel. Because each segment has a different set of travel priorities, an appropriate product/marketing mix can be developed to satisfy each one. In this way, limited resources can best be directed towards segments with high potential, thus increasing the overall efficiency of marketing activity.

The Venezuelan travel market was segmented from three different perspectives:

1. **Product segmentation** which examined the choice of particular features in a travel destination, and the kinds of facilities/activities/services most desired while on vacation.
2. **Travel philosophy segmentation** which examined the basic orientation towards travel and the way in which people liked to travel.
3. **Benefit segmentation** which examined the motivation for traveling and the kinds of travel experiences people were looking for.

These three kinds of segmentation complement each other and give marketers in different sectors of the tourism and hospitality industry alternative perspectives from which to approach the Venezuelan travel market. The approach used would depend on their purposes and the problems they face. Just as it may sometimes be useful to group furniture by location (bedroom, kitchen, patio), sometimes by function (chair, table, lamp), and sometimes by material (wood, metal, glass), sometimes it is useful to group travelers by their basic philosophy towards travel, sometimes by the broader benefits they seek, and sometimes by particular travel features desired in a destination. These three perspectives towards the travel market, along with the data available on demographics and media habits, provide a number of different descriptions adding up to a revealing picture of the market.

In terms of product segmentation, four groups were identified:

- **Sports and Entertainment** travelers (31% of the total market) like to participate in a variety of sports such as golf and tennis, water sports and snow skiing - the specific activities depending on when and where they take their vacations. They also enjoy being entertained in the form of spectator sporting events, nightlife, gambling and amusement or theme parks. There is a hint of the high life sought after by this group in terms of various amenities desired.
- **Sun and Space** travelers (26% of the total market) are very single-minded, compared to other travelers, in their wish for warm sunny weather and wide open spaces while on vacation.
- **Outdoors and Subcultures** travelers (19% of the total market) are into both native and immigrant cultural groups, with a marked preference for outdoor activities such as camping, hiking and climbing. These interests include some concern for saving money in the form of inexpensive restaurants and inexpensive travel within their destination.
- **Culture and Comfort** travelers (24% of the total market) are also driven by a desire to experience native and immigrant cultural groups, but within a highly developed vacation destination. High quality restaurants and first class hotels, as well as live theatre and museums or art galleries, are an essential part of the travel experience they seek.

Travel philosophy segmentation resulted in identifying four groups of Venezuelan travelers:

- **Independent** travelers (23% of the total market) enjoy making their own travel arrangements, especially as they go along. There is a note of conservatism in their travel in that they choose places they have seen before and like people to speak their language where they are on vacation.
- **Guarded Package** travelers (26% of the total market) find making travel arrangements can be a bother and therefore leave their travel plans to others to decide. They prefer guided tours, all inclusive packages, vacation destinations they have seen before and people who speak their language. Travel is not a priority, however, in that they would rather spend money on other things and do not need to travel to enjoy their vacation.
- **Affirmed Package** travelers (25% of the total market) like to travel and show a preference for package vacations, including guided tours and having a travel agent's assistance making plans. They choose vacation destinations they have heard of and like to visit a different place on each trip.

- **Reluctant travelers** (26% of the total market) are least interested in travel, feeling as they do that they need not travel to enjoy themselves or spend a lot of money while on vacation.

Benefit segmentation resulted in the following five groups:

- **Comfort and Sports travelers** (22% of the total market) say that not being deprived of city comforts is important to them, as is indulging in luxury, by which it appears they want to enhance their feelings of comfort while on vacation. Of equal importance to comfort is participating in, or watching, sports.
- **Adventure travelers** (17% of the total market) are distinguished from other travelers by their interest in being relatively more daring and adventuresome.
- **Family travelers** (19% of the total market) see travel as a chance primarily to be with family and friends while on vacation, preferably in places where their family came from.
- **Luxury travelers** (18% of the total market) place a great deal of emphasis on luxury and other status or prestige elements such as going where their friends have not been and then talking about it when they return.
- **Sports and Adventure travelers** (24% of the total market) are similar to the first two groups, but with less of an emphasis on comfort and more of an accent on sporting activities and the daring or adventuresome. There is also an element of status or prestige associated with this group.

The product segments describe what features are desired by travelers on their long haul vacation trips. They are therefore the most useful segments in terms of indicating which products Canada and the U.S. should develop and market to appeal to travelers' tastes. The other two segmentation approaches - travel philosophy and benefit - are useful in their own right, and in this report they are used to profile the travelers in each of the product segments. In other words, in the same way that variables such as sex and age can be used to describe the product segments demographically, so too can travel philosophy and benefit segments be used to describe the product segments attitudinally.

It should be emphasized that this approach is only one of several that are possible. For example, some readers might begin with the benefit segments to form a marketing framework, and then use the travel philosophy and product segments as the profiling variables. This type of approach would be equally valid as the one used in this report, and potentially more useful for some other applications.

Looking at the inter-relationships between the different segment perspectives in this way provides a greater depth of understanding of the various segments than would be obtained by examining them on their own. Using the furniture analogy described earlier, this would be the equivalent of examining tables and discovering that they were predominantly kitchen tables made of wood.

The following is a more detailed analysis of the four Venezuelan product segments highlighting their significance to the North American travel market.

SPORTS AND ENTERTAINMENT SEGMENT

- Size:** 31% of the target market or approximately 204,600 potential travelers.
- Demographics:** More likely than average to be male (57%), 18 to 24 years of age (47%), single (58%), a student (35%) and university educated (62%).
- Travel characteristics:** More likely than average to have taken more pleasure trips in the past three years (average 6.4), taken a package trip on their last vacation (21%) or rented a car in the U.S. (44%).
- Actual travel to North America:** About average visits to the U.S. while on vacation (57% of most recent trips) as well as Canada (3%).
- Interest in North America:** Above average in terms of the U.S. mainland being their most preferred destination (28%). Interest in Canada is about the same as the average (4%).
- Interest in specific destinations within North America:** Average interest in all destinations within the U.S. or Canada.
- Attitudinal profile:** More likely than average to have an **Affirmed Package** travel philosophy (30%) and either a **Comfort and Sports** (33%) or **Sports and Adventure** (32%) travel benefit orientation.
- Print media readership:** More likely than average to read El Universal (71%), Hola (30%) and Estampas (66%).
- Comment:**

This must be considered a promising segment, especially with their above average interest in visiting the United States. Both Canada and the U.S. are well able to provide the nature-related features that are required by this group and some of the cultural and comfort aspects as well. In marketing to this group it should be kept in mind that they tend to be young, males, single, and still at school. Package vacations geared towards sporting activities and entertainment in a comfortable surrounding ought to be attractive to such a group.

SUN AND SPACE SEGMENT

- Size: 26% of the target market or approximately 171,600 potential travelers.
- Demographics: More likely than average to be female (58%), 55 to 64 years of age (20%), married (62%), a homemaker (29%) who is not university educated (56%).
- Travel characteristics: More likely than average to have taken fewer pleasure trips in the past three years (4.9 average), visited Europe on their last vacation (35%), taken a longer trip (30.3 nights on average), traveled in the summer (48%), used a travel agent for planning their trip (73%) and stayed with friends or relatives (66%).
- Actual travel to North America: Less likely than average to visit the U.S. (44% of most recent trips), with very few going to Canada (1%).
- Interest in North America: Average interest in either the U.S. mainland (17%) or Canada (4%) as their most preferred destination.
- Interest in specific destinations within North America: More likely than average to be interested in visiting Florida (58%), Miami in particular (36%), and Quebec City (40%).
- Attitudinal profile: More likely than average to have an **Independent** travel philosophy (30%) and either a **Family** (30%) or **Luxury** (27%) travel benefit orientation.
- Print media readership: About average readership of all publications.
- Comment:

The travel product requirements for this group are clear - the seaside, open spaces, swimming and good weather. They also have an interest in luxury comforts such as first class hotels and high quality restaurants. While the U.S. is rated well for most of these items, Canada is at a distinct disadvantage. With average interest in visiting North America but less than average actual visits, an intensive marketing program could possibly attract this group away from Europe.

OUTDOORS AND SUBCULTURES SEGMENT

<u>Size:</u>	19% of the target market or approximately 125,400 potential travelers.
<u>Demographics:</u>	This group resembles the total sample for all demographic characteristics.
<u>Travel characteristics:</u>	More likely than average to have traveled by train while in the U.S. (18%) but less likely than average to have taken a package trip (9%).
<u>Actual travel to North America:</u>	About average visits to the U.S. (46% of most recent trips) as well as Canada (4%).
<u>Interest in North America:</u>	Interest in the U.S. mainland and Canada as their most preferred destination is about average (21% and 5%, respectively).
<u>Interest in specific destinations within North America:</u>	Average interest in all destinations within the U.S. or Canada.
<u>Attitudinal profile:</u>	More likely than average to have a Reluctant travel philosophy (33%) and an Adventure travel benefit orientation (24%).
<u>Print media readership:</u>	More likely than average to read <u>Geomundo</u> (21%) but less likely than average to read <u>El Universal</u> (57%).
<u>Comment:</u>	

Canada and the U.S. are both perceived to have the necessary outdoors resources and to a lesser extent the cultural aspects of a vacation that this group of travelers seek, although their interest in the U.S. and Canada is no more than average. While they are more likely than average to be in the Adventure benefit group, needing to be daring and adventurous, they are also associated with the Reluctant travel philosophy group. Perhaps their lack of enthusiasm for travel accounts for their consistently average attitude towards specific destinations. Because they prefer to choose destinations they have been to before and would rather spend money on other things besides travel, this group is a true marketing challenge.

CULTURE AND COMFORT SEGMENT

<u>Size:</u>	24% of the target market or approximately 158,400 potential travelers.
<u>Demographics:</u>	More likely than average to be married (56%), employed in a professional or technical position (43%) with a university education (63%).
<u>Travel characteristics:</u>	Less likely than average to have traveled in the summer (32%) or to have used a plane while in the U.S. (42%).
<u>Actual travel to North America:</u>	Visits to the U.S. and Canada are about average (56% and 4% of most recent trips, respectively).
<u>Interest in North America:</u>	About average interest in either the U.S. mainland or Canada as their most preferred destination (18% and 3%, respectively).
<u>Interest in specific destinations within North America:</u>	Average interest in all destinations within the U.S. or Canada.
<u>Attitudinal profile:</u>	This group was not associated with any one travel philosophy or benefit segment.
<u>Print media readership:</u>	More likely than average to read <u>El Nacional</u> (66%) and <u>Feriado</u> (28%).
<u>Comment:</u>	

Both countries are perceived to be somewhat better than average when it comes to first class hotels, fine dining, theatre, concerts, museums and art galleries. These, along with native and immigrant cultures, are what this Culture and Comfort group are seeking. With at least average interest in visiting North America, this sizable group of potential travelers give us few other indications as to their travel needs.

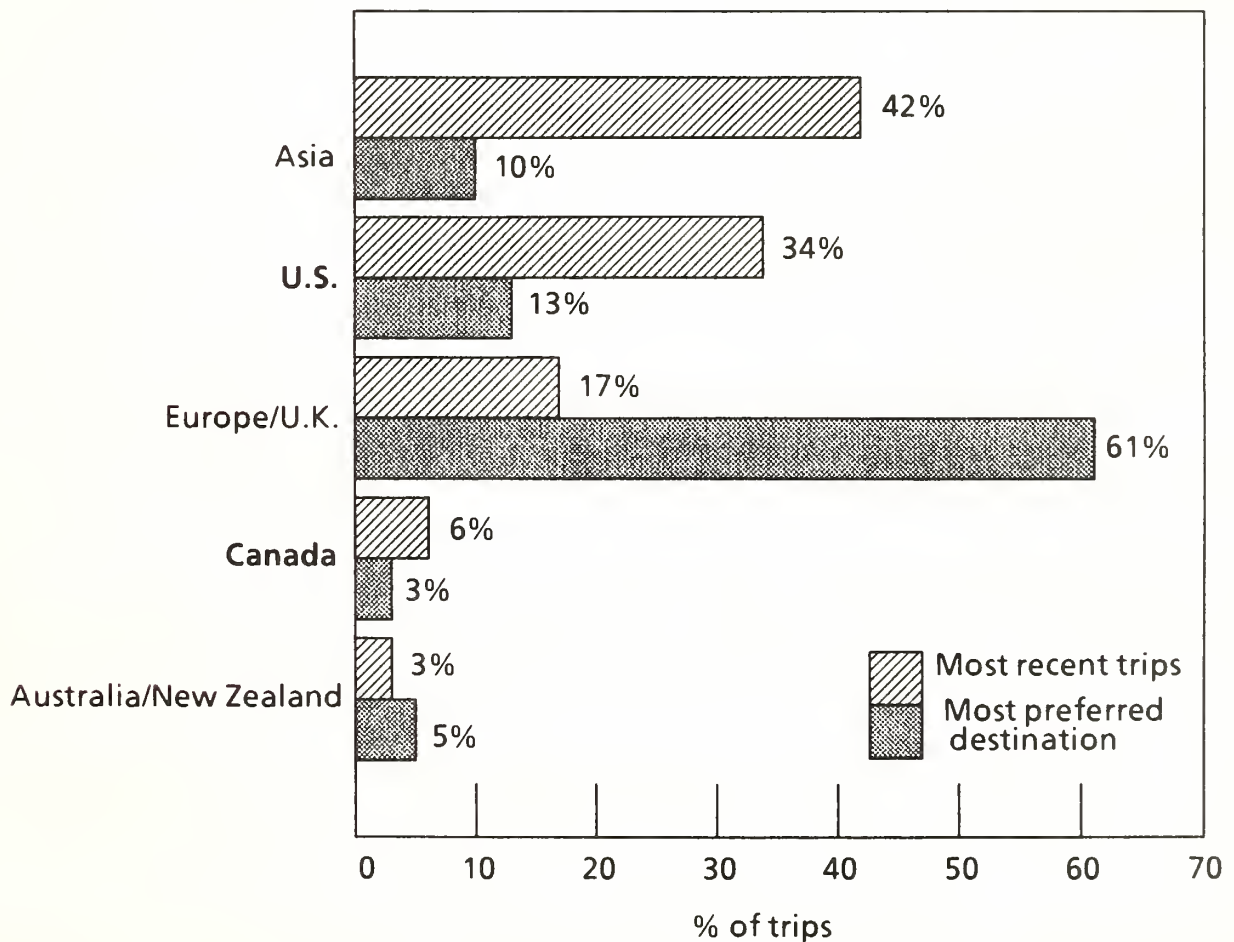
SOUTH KOREA

Where do travelers go on vacation, and where would they like to go?

Asia was the most popular long haul vacation destination as it was visited on 42% of all trips. It was followed by the U.S. (34%) and Europe and the United Kingdom (17%). Canada accounted for 6% of all trips.

Both the U.S. and Canada were visited more often than they were mentioned as one's most preferred destination (13% and 6%, respectively). Europe was by far the single most preferred destination (61%).

CURRENT AND PREFERRED OVERSEAS TRAVEL DESTINATIONS SOUTH KOREAN TRAVEL MARKET



How many people would be interested in traveling to my state/province/city?

Destinations with the highest levels of awareness and interest were as follows:

<u>Canada</u>			<u>United States</u>		
	<u>Awareness*</u>	<u>Interest**</u>		<u>Awareness*</u>	<u>Interest**</u>
	%	%		%	%
Ontario	(85)	(76)	California	(87)	(61)
Niagara Falls	57	50	Los Angeles	57	29
Toronto	42	27	Disneyland	27	14
Ottawa	20	8	San Francisco	25	10
Point Pelee National Park	9	5	Hollywood	7	4
Quebec	(75)	(60)	New York	(76)	(51)
Montreal	60	45	New York City	46	25
Quebec City	22	12	Niagara Falls	28	17
British Columbia	(61)	(45)	Hawaii	(50)	(37)
Vancouver	35	24	Florida	(42)	(20)
Vancouver Island	19	14	Miami	19	8
Victoria	8	4	Arizona	(39)	(23)
Alberta	(36)	(21)	Grand Canyon National Park	34	21
Calgary	23	12	Tucson	14	6
Newfoundland/ Labrador	(22)	(10)	Washington, D.C.	(31)	(13)
St. Johns	8	3	Nevada	(24)	(9)
			Las Vegas	22	9

* Awareness was measured by asking travelers to name eight destinations to which people might go on a vacation. The first five mentions were unaided, while the remaining three mentions were aided with the use of a map. This was asked separately for Canada and the United States.

** Interest was measured by asking travelers to name the three destinations they would be most interested in visiting or revisiting. Again, this was asked separately for Canada and the United States.

Do Canada and the U.S. have any unique selling points?

Marketing strengths might be defined as attributes on which Canada and the U.S. were rated highly, and which were also rated by travelers as being above average in importance to them.

Canada's main strength was its outstanding scenery - followed by its hygiene and cleanliness, public transportation, and interesting, friendly local people. Local festivals, wildlife, value for vacation money, and national parks and forests also emerged as competitive advantages.

For the U.S., opportunities to increase knowledge, along with the outstanding scenery and public transportation were main advantages. In addition, the U.S. was well regarded for its museums and art galleries, amusement or theme parks, and national parks and forests.

At the same time, do Canada and the U.S. have any weaknesses?

Weaknesses might be defined as attributes of above average importance on which Canada and the U.S. received relatively poor ratings.

Attributes in this category for Canada included inexpensive restaurants, budget accommodation, personal safety (of great importance to South Korean travelers), museums and art galleries, amusement or theme parks, and historical sites and buildings.

The main weakness for the U.S. was personal safety. Similar to Canada, the U.S. was seen to be lacking in the areas of budget accommodation, inexpensive restaurants, and historical sites and buildings. Two additional weaknesses were value for vacation money and interesting, friendly local people.

What do visitors do in North America?

Visitors to North America were more likely than pleasure travelers at large to visit friends or relatives. Sightseeing in cities, shopping, sampling local foods, dining out and taking pictures were among their most frequent activities.

Travelers who visited Canada were more likely than average to visit wilderness areas (77%) as well as national parks and forests (77%).

Travelers who visited the U.S. were more likely than average to visit the seaside (59%) or go to casinos and gamble (31%). Visitors to the U.S. were least likely to have visited archeological sites (24%) and places of historical interest (54%).

Where do they actually travel within North America?

The most frequently visited destinations in the past three years were:

<u>Canada</u>		<u>United States</u>	
	<u>Visitors</u>		<u>Visitors</u>
	%		%
Ontario	(78)	California	(63)
Niagara Falls	56	Los Angeles	39
Toronto	42	San Francisco	19
Ottawa	6	Disneyland	16
British Columbia	(32)	New York	(54)
Vancouver	22	New York City	34
Vancouver Island	8	Niagara Falls	21
Victoria	7	Hawaii	(24)
Quebec	(28)	Arizona	(22)
Montreal	21	Grand Canyon	
Quebec City	7	National Park	20
Alberta	(19)	Washington, D.C.	(19)
Calgary	7	Nevada	(14)
		Las Vegas	13

How can travelers be reached most efficiently through the media?

The most widely read publications in various categories were:

Daily newspapers:

- Chosun Ilbo (51%)
- Donga Ilbo (34%)
- Sports Seoul (17%)
- Joongang Ilbo (16%)
- Do not read daily newspapers (3%)

Weekly periodicals/magazines:

- Sisa Journal (17%)
- Weekly Chosun (17%)
- Korea Sunday News (7%)
- Do not read weekly periodicals/magazines (52%)

Monthly magazines:

New Donga (21%)
Reader's Digest (15%)
Monthly Chosun (14%)
Women's Joongang (9%)
Do not read monthly magazines (36%)

Travel/ski magazines:

Monthly World Tour (5%)
Monthly Mountains (5%)
Overseas Trip (4%)
Do not read travel/ski magazines (83%)

SEGMENTATION

To assist in developing an appropriate product/marketing mix for different groups of travelers, the South Korean travel market was divided into segments using the same rationale as described earlier for the Venezuelan travel market. Three perspectives were used to segment the market - travel product, philosophy, and benefit features. Some of the resulting segments were similar to those from Venezuela and may bear the same label, but their descriptions should be examined in their own right to avoid confusion between the two sets of results. Even when the descriptions are similar, it should be noted that the groups might still be different in terms of demographics or in other respects.

Six **product** segments were identified as follows:

- **Rural Beach** travelers (16% of the total market) seek beaches and the seaside as well as other rural attractions such as lakes/rivers and mountainous areas. They also seek a variety of things to do there including live theatre/concerts, local festivals, amusement/theme parks, camping and outdoor activities such as hiking or climbing. There is an economy side to these travelers in that budget accommodation and inexpensive, fast food restaurants are important to them.
- **Basic Amenities** travelers (14% of the total market) focus almost all of their attention on the basics of a simple vacation such as warm sunny climate, reliable weather, personal safety, standards of hygiene and cleanliness, manageable size so they can see everything they want and public transportation to get around, as well as short guided excursions/tours and local cuisine. Given that their first priority is shopping, they would like to economize on everything else - from inexpensive, fast food restaurants to inexpensive travel within their destination to budget accommodation.
- **Culture and Comfort** travelers (13% of the total market) have an interest in native cultural groups, historic old cities and interesting small towns/villages, although they are more interested in such attractions as can be found in big modern cities like museums and art galleries. The comfort aspect of this group's interests is evident with regard to their desire for high quality restaurants, first class hotels and resort areas.

- **Culture and Nature** travelers (14% of the total market) are interested in native and immigrant cultural groups, in cultures different from their own, in historic old cities as well as interesting small towns/villages and historical, archeological or military sites. They also enjoy such outdoor features as wilderness/undisturbed nature, wildlife/birds and activities such as hiking or climbing. There is an economy side to these travelers in that budget accommodation and inexpensive travel within their destination are important to them.
- **Sports and Entertainment** travelers (30% of the total market) like to participate in a variety of sports such as hunting, fishing, snow skiing, water sports, golf and tennis - the specific activities depending on when and where they take their vacations. They also enjoy being entertained in the form of spectator sporting events, nightlife, gambling, live theatre/concerts, etc.
- **Outdoors and Comfort** travelers (13% of the total market) are interested in outdoor activities that are not necessarily too physical (e.g. fishing, watching birds or wildlife). The main thing seems to be that they get outdoors, away from crowds, where there is good quality air, water and soil in an undisturbed natural environment such as a national park or forest. Paying for comfort appears to be an important priority.

And four philosophy segments were identified:

- **Enthusiastic Independent** travelers (23% of the total market) heartily embrace independent travel. They enjoy making their own travel arrangements, whether in advance or as they go along, and reject package vacations. More important than the cost of travel is its value to these travelers, who are the most likely to agree that money spent on travel is money well spent.
- **Luxury Guarded** travelers (37% of the total market) have a somewhat conservative approach to travel, preferring to stay put in a destination familiar to them rather than traveling from place to place or to somewhere new. Though willing to spend money on luxuries, they do not feel they must travel in order to enjoy a vacation. Instead, they would sooner spend money on other things and not bother making travel arrangements, which are otherwise left to their travel partners.
- **Budget Independent** travelers (21% of the total market) enjoy making their own travel arrangements, although these can be a bother to them. While avoiding package tours and luxuries in general, they seek to travel inexpensively (e.g. take advantage of reduced air fares) and not spend a lot on their vacation.
- **Package** travelers (19% of the total market) show a preference for package travel, partly for the ease of arrangements it offers them to have their travel agent/co-travelers organize things, but also because it is a good way to travel from place to place and see new places on each trip.

As well, four benefit segments were identified:

- **Family Getaway** travelers (21% of the total market) want to get away from the demands of home and/or a busy job, preferring to experience a simpler lifestyle, free to act the way they feel even if it means doing nothing at all. While wanting to escape the ordinary, they also want to make their vacation a safe and secure, home-away-from-home, family experience.
- **Sports** travelers (35% of the total market) are mainly interested in sporting activities, whether participating in sports or watching sports events. This seems to be equated with luxury and, perhaps, some status when they talk about it after their trip.
- **Adventure** travelers (20% of the total market) say that they like to "rough it", by which it appears they mean that they like to feel daring and adventuresome experiencing new/different lifestyles in a foreign destination their friends have never seen. In this manner they find thrills and excitement while learning new things to increase their knowledge.
- **Family** travelers (24% of the total market) see travel as a chance primarily to be with family and friends while on vacation, either in places where their family came from or in historically important places where they can expect to learn something.

The following is a more detailed examination of the six South Korean product segments highlighting their significance to the North American travel market.

RURAL BEACH SEGMENT

Size: 16% of the target market or approximately 450,100 potential travelers.

Demographics: More likely than average to be female (61%), 18 to 24 years of age (32%), single (47%) and a student (27%). Less likely than average to be a couple with children (36%).

Travel characteristics: More likely than average to have taken a touring trip (45%), stayed with friends or relatives (31%) and decided on their destination over two months before departure (46%).

Actual travel to North America: About average visits to both the U.S. and Canada in the past three years (40% and 7% of most recent trips, respectively).

Interest in North America: Average interest in the U.S. and Canada as their most preferred destination (14% and 4%, respectively).

Interest in specific destinations within North America: Average interest in all destinations with the U.S. or Canada.

Attitudinal profile:

More likely than average to have a **Budget Independent** travel philosophy (30%) and an **Adventure** travel benefit orientation (29%).

Print media readership:

Less likely than average to read the New Donga (13%).

Comment:

With an interest in both beaches and seaside areas and activities in smaller communities, this group has many diversified requirements when determining a travel destination. Although the U.S. has more to offer this group in the way of beaches, both countries are strong in providing lakes, rivers, campgrounds and related outdoor activities. This younger group is looking for budget accommodation and inexpensive transportation. They are more than willing to make their own arrangements. In fact, they tend to make their arrangements as they go, seldom using a tour company or travel agent for this. In many cases their accommodation is provided by visiting friends or relatives.

BASIC AMENITIES SEGMENT

Size:

14% of the target market or approximately 393,900 potential travelers.

Demographics:

About average for all demographic characteristics.

Travel characteristics:

More likely than average to have booked their trip closer to departure (81% booked one month or less before departure) and traveled by private car within the U.S. (78%).

Actual travel to North America:

About average visits to both the U.S. and Canada (30% and 3% of most recent trips, respectively).

Interest in North America:

Above average interest in the U.S. as their most preferred destination (20%). No preference for Canada was reported by this group.

Interest in specific destinations within North America:

More likely than average to be interested in visiting Niagara Falls, Ontario (58%) and Calgary, Alberta (22%) in Canada.

Less likely than average to be interested in visiting the Grand Canyon National Park, Arizona (15%) in the U.S.

Attitudinal profile:

More likely than average to have a **Package** travel philosophy (29%) and a **Family Getaway** travel benefit orientation (31%).

Print media readership:

Less likely than average to read the Hankyoreh Shinmun (9%) and the New Donga (13%).

Comment:

The basics of a simple vacation are what matters most to this group. Reliable, sunny weather, hygiene and safety, and a reasonable cost are at the top of their list. While Canada is known for higher standards of hygiene and safety, areas of the U.S. are seen to be a better choice for reliable weather and lower costs. Package vacations featuring these attributes would probably appeal to this group. Although they do not want to cover a large area each vacation, they do like to visit a different place each trip. As a typically older group, they seek out family activities and try to make their vacation a real break from their job and demands at home.

CULTURE AND COMFORT

Size: 13% of the target market or approximately 365,750 potential travelers.

Demographics: More likely than average to be female (61%) and married (77%).

Travel characteristics: More likely than average to have taken a shorter trip (13.9 nights on average), traveled in the spring (23%), decided their destination further in advance (an average of 3.6 months before departure) and booked a package vacation (56%) which included a guided tour (45%). Less likely to have stayed with friends or relatives (12%).

Actual travel to North America: Visits to both the U.S. and Canada are about average (33% and 8% of most recent trips, respectively).

Interest in North America: About average interest in Canada as their most preferred destination (6%), but significantly below average interest in the U.S. (6%).

Interest in specific destinations within North America: Less likely than average to be interested in visiting Alberta, Canada (14%).

Attitudinal profile: More likely than average to have an **Enthusiastic Independent** travel philosophy (32%) and a **Family Getaway** travel benefit orientation (43%).

Print media readership: About average readership of all publications.

Comment:

This group tends to be most interested in native cultures, history and visiting smaller communities. They do, however, require high quality restaurants, first class hotels and resorts to make their vacation a success. While Canada and the U.S. are perceived as being able to deliver the cultural aspects, the U.S. is seen to have superior restaurants and hotels. This segment has an Enthusiastic Independent travel outlook which means they like to make their own arrangements, rarely using an agent. Their ability to escape demands at home while on vacation and still include the family leads them to believe that spending money on a trip is money well spent.

CULTURE AND NATURE SEGMENT

<u>Size:</u>	14% of the target market or approximately 393,900 potential travelers.
<u>Demographics:</u>	More likely than average to be male (66%), 18 to 24 years of age (31%), single (43%), employed in a professional or technical position (28%) or a student (33%) with a university education (86%).
<u>Travel characteristics:</u>	More likely than average to have traveled in the summer (51%), taken a trip that combined business and pleasure (54%), ridden public transit in U.S. cities (48%), referred to the library for information (20%) but not booked in advance (18%).
<u>Actual travel to North America:</u>	About average visits to both the U.S. and Canada (30% and 3% of most recent trips, respectively).
<u>Interest in North America:</u>	About average interest in the U.S. and Canada as their most preferred destination (10% and 1%, respectively).
<u>Interest in specific destinations within North America:</u>	More likely than average to be interested in visiting Quebec City (18%) but not Alberta (15%) in Canada. About average interest in all U.S. destinations.
<u>Attitudinal profile:</u>	More likely than average to have a Budget Independent travel philosophy (36%) and an Adventure travel benefit orientation (40%).
<u>Print media readership:</u>	More likely than average to read the <u>New Donga</u> (31%) and the <u>Monthly Chosun</u> (22%).

Comment:

Both Canada and the U.S. would appear to be in a strong position to provide the cultural, historical and nature-related items that these travelers are seeking. There is, however, a cost consciousness to this group who also demand budget accommodation and inexpensive transportation within their destination. As Budget Independent travelers, they prefer to make all their own arrangements for traveling. Moreover, the adventure and rugged outdoors aspects of Canada and the U.S. should appeal to them in their quest for thrills and excitement.

SPORTS AND ENTERTAINMENT SEGMENT

<u>Size:</u>	30% of the target market or approximately 844,000 potential travelers.
<u>Demographics:</u>	More likely than average to be male (64%).
<u>Travel characteristics:</u>	More likely than average to have booked accommodation directly with their hotel (25%), decided on their destination within two months of departure (66%), used a club or association for travel information (37%) and traveled without a private car while in Canada (35%).
<u>Actual travel to North America:</u>	Average visits to both the U.S. and Canada (35% and 6% of most recent trips, respectively).
<u>Interest in North America:</u>	Average interest in the U.S. and Canada as their most preferred destination (17% and 4%, respectively).
<u>Interest in specific destinations within North America:</u>	Average interest in all destinations within the U.S. or Canada.
<u>Attitudinal profile:</u>	More likely than average to have a Luxury Guarded travel philosophy (58%) and a Sports travel benefit orientation (67%).
<u>Print media readership:</u>	About average readership of all publications.
<u>Comment:</u>	

The travel product of prime interest to this group consists of all sports-related activities as well as nightlife and live theatre. It is not surprising then that they have a Luxury Guarded travel outlook and a Sports benefit orientation. These travelers use clubs and associations to help make their travel plans, which offers a good way to reach them. Although they are initially hesitant travelers they tend to spend more to get what they want. Fast-paced sports and entertainment activities in the U.S. and Canada should appeal to this group.

OUTDOORS AND COMFORT SEGMENT

<u>Size:</u>	13% of the target market or approximately 365,750 potential travelers.
<u>Demographics:</u>	More likely than average to be 55 years of age or older (34%) and married (85%). Less likely than average to be a student (3%) or have a university education (60%).
<u>Travel characteristics:</u>	More likely than average to have traveled with their spouse or girlfriend/boyfriend (38%) and taken a guided tour (44%). Less likely than average to have booked their flight directly with the airline (13%).
<u>Actual travel to North America:</u>	Average visits to both the U.S. and Canada (35% and 9% of most recent trips, respectively).
<u>Interest in North America:</u>	About average interest in the U.S. and Canada as their most preferred destination (9% and 2%, respectively).
<u>Interest in specific destinations within North America:</u>	For Canada, above average interest in visiting Victoria, British Columbia (9%). About average interest in U.S. destinations with the exception of Disneyland for which interest was slightly below average (7%).
<u>Attitudinal profile:</u>	More likely than average to have a Package travel philosophy (31%) and a Family travel benefit orientation (41%).
<u>Print media readership:</u>	Less likely than average to read the <u>Hankyoreh Shinmun</u> (9%) and <u>Reader's Digest</u> (8%).
<u>Comment:</u>	

For this group, package vacations that include guided tours meet the main requirements. While they enjoy the outdoors, they are not into "roughing it". Being with family and traveling from place to place are priorities that this older group seek. Their Package travel outlook and Family benefit orientation make them a prime opportunity for both Canada and the U.S.

INFORMATION AVAILABLE FROM THE RESEARCH

The data collected can be used to answer a variety of questions about long haul travel and travelers in each market. As noted earlier, these and other questions can be answered in the detailed country reports, standard computer tabulations, and database diskettes that are available separately.

	<u>Information collected</u>
<i>How many long haul travelers are there?</i>	- basic estimates of incidence and size of market
<i>Who are long haul travelers?</i>	- basic demographics - sex - age - occupation - education - household income - marital status - household size - number of children - fluency in English and French
<i>Where do travelers go on long haul trips?</i>	- destination of two most recent long haul trips - specific destinations in Canada and the U.S. ever visited and visited in the past three years
<i>How did they plan and prepare for their trips?</i>	- sources of planning information used - when destination was decided - when trip was booked - with whom trip was booked
<i>Who did they travel with?</i>	- number of adults - number of children - their relationship to the traveler
<i>When did they travel?</i>	- month/season of trip - number of nights away
<i>How did they travel?</i>	- whether a package trip and, if so, what was included in the package - modes of transportation used within Canada and the U.S.
<i>What did they do on their trip?</i>	- main purpose of trip - activities taken part in
<i>What do people think about travel and how do they prefer going about it?</i>	- attitudes on 25 travel philosophy statements

In general, what reasons do people have for wanting to travel and what experiences are they looking for?

- attitudes on 30 travel benefit statements

What features, activities and facilities are important in the selection of a vacation destination?

- importance ratings of 53 different product items

Where would people like to go on a vacation?

- preferred destinations overseas

Where would people like to travel in North America?

- preferred destinations in Canada and the U.S. at the province/state/city level

What vacation destinations in North America are travelers aware of?

- destinations in Canada and the U.S. that come to mind as places to take a vacation

What are the perceived strengths and weaknesses of North America as a vacation destination?

- specific ratings of Canada and the U.S. on over 30 different product attributes

How can travelers be reached through the media?

- readership of daily newspapers
- readership of weekly and monthly magazines

The above represent a number of general questions which would be of broad interest to a variety of marketers in the travel industry. Individual users of the data, however, are likely to have specific questions more directly related to their particular situation. The flexibility certainly exists in the database to answer many of these specific questions. Some examples of how individual users of the information might approach the analysis of there data are provided in the next section.

INDIVIDUAL USER APPROACHES

As an individual user of the data, how can I optimize my use of the results?

The results shown in this highlights report provide an indication of the large amount of data available from these studies, as well as at least one approach that might be used in analyzing the results. In order to optimize the utility of the information, however, individual users of the data would likely need to adopt specific approaches.

One basic strategy in analyzing the results would be to identify a particular target group of interest and to attempt to discover as much as possible about that group. Having identified that group it would be possible to reveal their demographics, attitudes towards travel, perceptions of the U.S. and Canada, media readership, and so on. This detailed information would be obtainable from either the computer tabulations or the database diskettes that have been made available from this study.

In terms of identifying the appropriate target market for an individual user, there are a number of alternatives that could be employed. For example, a provincial, state, or city tourism authority could look at travelers who either expressed an interest in or who actually visited their destination.

Developers of particular products would have several alternatives. For example, a luxury hotel developer could look specifically at travelers who identified first class hotels as being important to them. Alternatively, product segments such as the Culture and Comfort group (who expressed interest in a "bundle" of product features such as first class hotels, high quality restaurants, plus a variety of culture-related items) could be used as a starting point.

As another example, a marketer of skiing packages would be able to analyse either people who identified skiing as being important to them, people who actually went skiing on a trip to North America, or a product segment such as the Sports and Entertainment group who have an interest in skiing along with a variety of other sports activities. On the package side, such an analysis could examine travelers who actually traveled on packages, or who showed a general inclination towards package vacations by expressing a Package travel philosophy.

There are any number of target segments that could be analysed from the data (e.g. golfers, theatre-goers, hikers, sightseers, car renters, package travelers, adventure travelers, older travelers, and so on). It would even be possible to combine some of these categories in order to look at adventure package travelers, for example, or skiing package travelers, as above.

It is the purpose of this report to make readers aware of the great wealth of data available, to highlight the number of potential uses of the data, and thereby to encourage its follow-up by the travel industry.



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